

# **SWIFT Institute 2022 Mid-year Round Up: Bridging the Gap between the Financial Industry and Academia.**

# Opening Letter

from **Matthew Loos**



## As we enter the second half of 2022, it's time to reflect on the first six months of the year.

In the context of high volatility and extreme global challenges, the exploration of new technologies in transformative applications remains a key focus of attention. This could be related to the future of money, the digitisation of trade and new 'inclusive' ecosystems or the transition to sustainable energy solutions. In acknowledgment of the complexity in 'keeping up' with the pace of change, the SWIFT Institute has designed some new media and forums of debate for the community. We also would like to celebrate with you as we hit a substantial milestone for the Institute.

### **Celebrating 10 years of the SWIFT Institute.**

It all began as a conversation between a SWIFT Executive and an academic; while 'discussing' the future of payments, they landed on the notion that bringing both the financial industry and academia together would lead to more informed ideas and strategies. On April 25th 2012, the SWIFT Institute was launched.

Over the years the SWIFT Institute has grown from sponsoring research to hosting educational trainings, to global Student Challenges, to hosting SWIFT Institute events, and to having its own stream at Sibos; the Sibos Academy. The Institute has grown to also engage with academic consortiums, and through partnerships such as with GBSN, produces case studies to help improve education for future banking professionals.

We can also proudly boast a few firsts at Sibos.

- First ever speaker beamed in by ARHT's Hologram technology (Chris Phillips, SVP Technology RBC)
- The most watched Sibos Youtube video of all time [Quantum Computing by Professor Andrea Morello, University New South Wales](#).

**SWIFT Institute Briefing Papers:** A new series of shorter Briefing Papers. Designed to bring academic insights to the community, in a more 'readily consumable' style. The first paper in the series is **Defining Digital Assets**. It tells the story of digital assets: where they came from, what they are now and what they may become in the future.

- Newly commissioned Briefing papers will examine themes such as Duplicate financing, Artificial Intelligence and financial Inclusion enabled through technology to bring positive impact.

**SWIFT Institute Knowledge-Brief Videos:** With a firm commitment to providing accessible academic insights, the Institute has also launched its Knowledge Brief series. On target, to the point, these approximately five minute educational soundbites from leading academics inform you on key themes, challenges and developments facing the industry. These include Digital Assets, CBDCs, the Transition to Net Zero and many more. You can find these on the [SWIFT Institute LinkedIn page](#), [Youtube](#) (don't forget to subscribe) and the [SWIFT Institute website](#).

**SWIFT Institute Working Papers:** Central banks worldwide are examining closely the new digital monetary technologies with many of them considering launching their own central bank digital currencies. The SWIFT Institute recently published a research paper, authored by Chusu He, Alistair Milne and Markos Zachariadis examining how **international payments might be improved through the adoption of central bank digital currencies**.

Newly commissioned research in 2022 will explore the **Shortening of Securities Settlement Cycles** and examine the industry call to move to T+1. Within this context the research will probe the constraints, existing practices and the impact of the move to a shortened settlement cycle of T+1, (and why not T+0) on the various players involved in the transaction lifecycle. The results of this research are expected in Q1 2023.

**Ethics & Trust in Finance Prize:** SWIFT and the SWIFT Institute continue to be proud members of the Ethics & Trust in Finance Prize, a project of the Observatoire de la Finance (Geneva), a non-profit foundation that aims to raise awareness around the relationship between the ethos of financial activities and its impact on society. The 9th edition of the global Prize Ethics & Trust in Finance for a Sustainable Future was officially launched online on 8 June 2022 to explore the ethical challenges and opportunities of **artificial intelligence in finance**. The deadline for submitting papers is 29 May 2023. Visit for more details: <https://www.ethicsinfinance.org/>.

## SWIFT Institute Student Challenge

With the support of the Global Business School Network, the SWIFT Institute Student Challenge was launched earlier this year in Latin America. The competition, now in its 7th year, is hosting two challenges, with one in Colombia and a second in Mexico. Finalists will be invited to present their solutions at Sibos 2022.

## Getting ready for Sibos Amsterdam

The Sibos 2022 conference agenda will centre on this year's theme "**Progressive finance for a changing world**", recognising the need to embrace digital transformation, successfully navigate new risks and drive sustainability and ethical change. Speakers will focus on the ability of financial services providers to identify, adapt and scale forward-thinking innovations and manage risk in an uncertain world.

The SWIFT Institute's **Sibos Academy** has a great line-up of sessions planned, with the objective of preparing attendees for their Sibos journey. Topics will include insights into Private-Private information sharing to detect and disrupt crime; Privacy and Robustness in Federated Machine Learning; The change in mindset needed for the Energy Transition, and last but not least a view on What is the Quantum Internet?

We look forward to engaging with you as we share and exchange insights fundamental to the financial industry and the adoption of innovative technologies and models for change.

Stay tuned for the next post-Sibos SWIFT Institute update!

---

### Matthew Loos

Director, The SWIFT Institute

---

# SWIFT Institute Publications:

---

## SWIFT Institute Briefing Papers:

A new series of shorter Briefing Papers. Designed to bring academic insights to the community, in a more 'readily consumable' style.

The first paper in the series is [Defining Digital Assets](#). It tells the story of digital assets: where they came from, what they are now and what they may become in the future. It compares and distinguishes the key features underpinning the different digital assets to include examples such as cryptocurrencies, stablecoins, central bank digital currencies (CBDC) and the possibility of bonds and equities held directly and exchanged through shared ledgers. Authored by Alistair Milne, School of Business and Economics, Loughborough University.

---

## SWIFT Institute Working Papers:

[Central Bank Digital Currency and International Payments](#): Central banks worldwide are examining closely the new digital monetary technologies with many of them considering launching their own central bank digital currencies. A few have already implemented forms of CBDC that can be used as alternatives to central bank notes in daily payments, many more have initiated projects assessing the feasibility of creating their own digital currency and are publishing interim research and policy papers on what this would entail.

This SWIFT Institute commissioned research paper, authored by Chusu He, Alistair Milne and Markos Zachariadis reports an investigation into the business processes employed in the execution of international payments and discusses how international payments might be improved through the adoption of central bank digital currencies.



[View Key Findings](#)



[View Report](#)



---

## Upcoming Research

Newly commissioned **Briefing Papers** will examine themes such as Duplicate Financing, Artificial Intelligence and related technologies and techniques and Financial Inclusion through technology to bring a positive impact.

- Duplicate financing: What are the issues raised and the impact of duplicate financing, and what is the gravity of the impact on the real economy in terms of contribution to the Trade Finance Gap.
- Financial inclusion for Micro and SME's, leveraging the technology and the financial services ecosystem to bring positive digital impact in South-East Asia.
- Artificial intelligence, machine learning and data. What are the key things to know, how are they used in combination, and what is on the horizon?

Newly commissioned **research** from the SWIFT Institute will explore the **Shortening of Securities Settlement Cycles** and examine the industry call to move to T+1. Within this context the research will probe the constraints, existing practices and the impact of the move to a shortened settlement cycle of T+1 , (and why not T+0) on the various players involved in the transaction lifecycle. and will address aspects of risk, foreign exchange, securities lending, collateral management, margin, and capital requirements.

### Soon to be published:

- Lessons in private-private financial information sharing to detect and disrupt crime, from Nick Maxwell: Head of the Future of Financial Intelligence Sharing (FFIS) – RUSI.
- The Trading of Tokenized Assets: Modern Exchange Market Infrastructure. Sean Foley, Angelo Aspiris and Talis Putnins.

---

## SWIFT Institute Knowledge-Brief Videos:

With a firm commitment to providing accessible academic insights, the Institute has also launched a new forum. We think that understanding finance should be easy, which is why we've produced this series. Once a month, we'll break down key topics so that you can grow your knowledge and understanding in these areas. On target, to the point, five minute educational soundbites across key themes, challenges and developments facing the industry.

You can find these on both the new [SWIFT Institute LinkedIn](#) page (this replaces the private group, so please follow), [Youtube](#) (don't forget to subscribe) and the [SWIFT Institute website](#).

Explore the series so far!

- **Episode 1:** Defining Digital Assets: Alistair Milne
- **Episode 2:** How to build a net zero, nature positive and sustainable economy by 2050: Nina Seega
- **Episode 3:** Central bank digital currencies and international payments: Chusu He
- **Episode 4:** Shadow Banking: Barbara Casu
- **Episode 5:** Decentralised Finance: Sean Foley

Many more coming soon on quantum computing, privacy and data sharing, financial inclusion.

---

---

## Ethics & Trust in Finance Prize:

SWIFT and the SWIFT Institute continue to be proud members of the Ethics & Trust in Finance Prize, which has now entered its 9th edition. The Prize is a project of the [Observatoire de la Finance \(Geneva\)](#), a non-profit foundation that aims to raise awareness around the relationship between the ethos of financial activities and its impact on society.

The 9th edition of the global Prize Ethics & Trust in Finance for a Sustainable Future was officially launched online on 8 June 2022. The launch explored the ethical challenges and opportunities of artificial intelligence in finance.

The Ethics and Trust in Finance Prize asks people under the age of 35 working in or studying finance to reimagine how financial institutions, together with their stakeholders, can balance the desire for growth, security and stability with these aspirations, to provide a meaningful response to the changing needs of the communities in which they operate. The deadline for submitting papers is 29 May 2023. Visit for more details: <https://www.ethicsinfinance.org/>.

### **SWIFT Institute Student Challenge**

With the support of the Global Business School Network, the SWIFT Institute Student Challenge has been launched in Latin America. The competition, now in its 7th year, is hosting two challenges, with one in Colombia and a second in Mexico.

Both in Colombia, and Mexico, the challenges have been defined by and have the support of the Colombian (ASOBancaria) and Mexican (ABM) banking associations. The finalists will be invited to present their solutions at Sibos 2022. For full details around the Student Challenges please visit our [website](#).

### **SWIFT Institute Student Challenge Colombia:**

- How to implement digital banking agents through E-Commerce Apps?

### **SWIFT Institute Student Challenge Mexico:**

- How can banks foster financial inclusion in Mexico by combining remittances inflows and new technologies?

---

## Getting ready for Sibos Amsterdam

The Sibos 2022 conference agenda will centre on this year's theme "Progressive finance for a changing world", recognising the need to embrace digital transformation, successfully navigate new risks and drive sustainability and ethical change. Speakers will focus on the ability of financial services providers to identify, adapt and scale forward-thinking innovations and manage risk in an uncertain world.

The SWIFT Institute's **Sibos Academy** has a great line-up of sessions planned, with the objective of preparing attendees for their Sibos journey.

- Lessons in private-private financial information sharing to detect and disrupt crime: Nick Maxwell RUSI
- Privacy and robustness in federated machine learning: Emiliano De Cristofaro, University College London
- The transition in thinking required for the energy transition: Brian Scott-Quinn, Henley Business School
- What is the Quantum Internet?: Stephanie Wehners, TUDelft

We look forward to seeing you in person or through digital attendance at Sibos 2022!

---

## Stay tuned for the next SWIFT Institute update!